

ER-4-8203

~~CONFIDENTIAL~~

7 November 1953

MEMORANDUM FOR THE RECORD

SUBJECT: Psychological Warfare Project Conducted [REDACTED]

25X1A

1. On 5 November 1953 [REDACTED] Budget Division, [REDACTED] Eastern Europe Division, and I met with Messrs. Perry and Hamilton, Bureau of the Budget, to discuss the possibility of CIA taking over some of the projects presently being conducted by [REDACTED]

25X1A

25X1A

2. [REDACTED] stated that CIA had reviewed each of the projects in great detail, both in the field and here in Washington; that in the past we had assumed responsibility for some in which we had an interest and which we believed to be in accordance with our charter; that there were only two or three of the substantial number of projects remaining in which CIA had any interest at all; that these were entirely too well known as U. S. Government-sponsored projects to be taken over by CIA; and that CIA, therefore, had no interest whatever in sponsoring them.

3. Mr. Perry confided that [REDACTED] had gambled in continuing these projects and was obligated either legally or morally to the extent of \$64,000 in Fiscal Year 1954 and \$50,000 in Fiscal Year 1955. He indicated that the Bureau of the Budget would like to find some way to save the situation and asked what CIA's attitude would be to using its Reserve for this purpose. I told him that I would consider such a plan to be entirely contrary to the purpose for which the CIA Reserve was established and would not concur in such a proposal. The discussion ended and it was indicated that the matter was closed insofar as CIA was concerned.

25X1A

15/
L. K. WHITE

Acting Deputy Director
(Administration)

A-DD/A:LKW:laq

cc: Acting Comptroller

C/EE thru COA/DDP

DD/A chrono

DD/A sub: "PROJECTS - Misc"

DD/A sub: APPROPRIATIONS - Misc

68 JUN 1973